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COUNTRY FICHE

UNITED KINGDOM [UK]

In the 2014-2020 period, the United Kingdom employed three types of Territorial Delivery Mechanisms, all supported by a combination of the European Regional Development Fund (ERDF) and the European Social Fund (ESF), and implemented in England only. First, 9 Sustainable Urban Development (SUD) strategies were carried out through the Integrated Territorial Investment (ITI) instrument, focusing on urban areas. Additionally, two non-SUD ITI strategies were implemented, each with relatively large budgets. Lastly, 23 Community-Led Local Development (CLLD) strategies were also deployed across England. Overall, roughly 15% of the ERDF allocation for the United Kingdom was dedicated to Territorial Delivery Mechanisms. The financial implementation of these strategies proceeded more slowly compared to mainstream Cohesion Policy funding.

POPULATION	STATE TYPE
65.8 million	Decentralised in the UK, but centralised in England

NATIONAL ESIF BUDGET

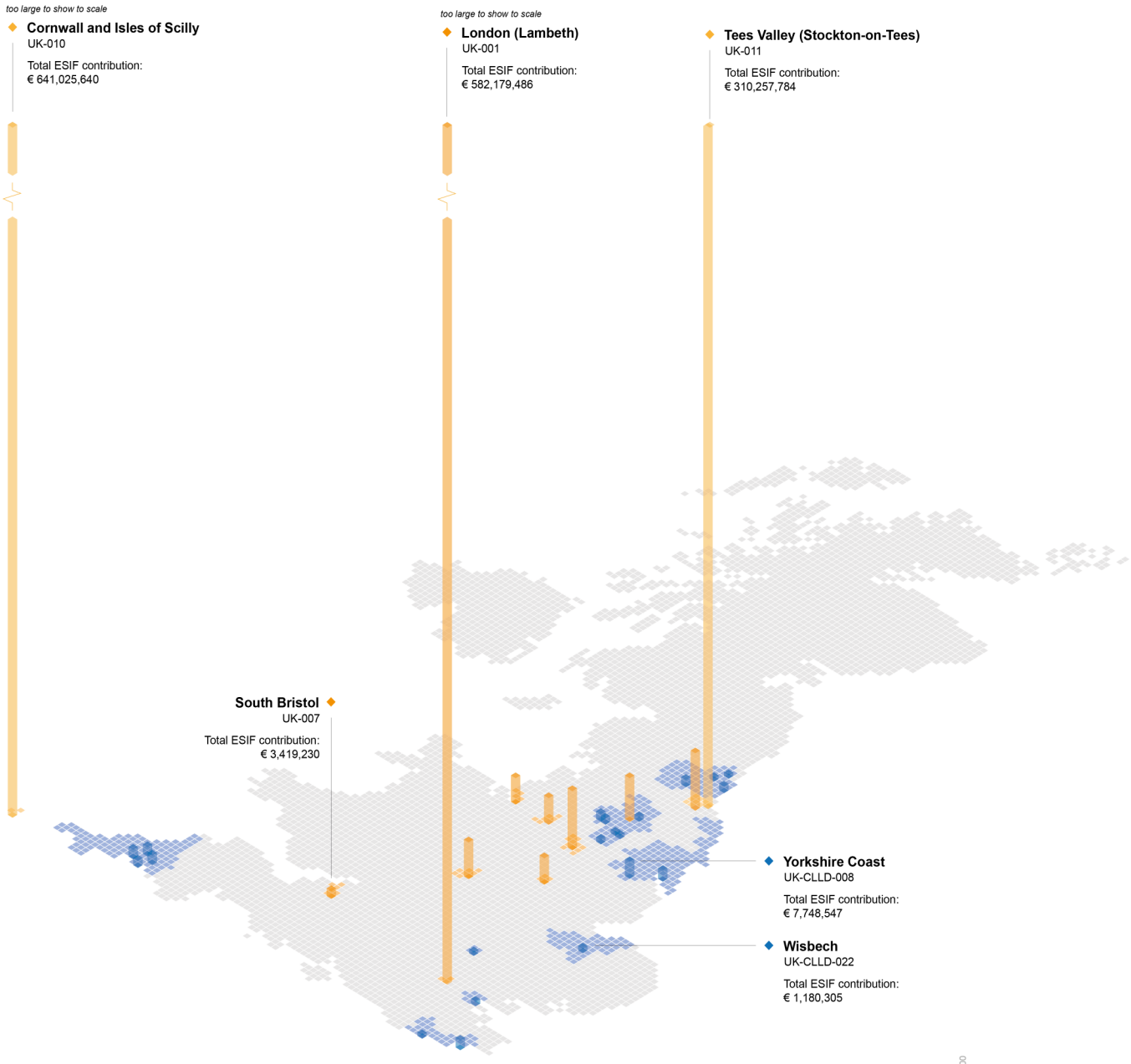
EU Contribution (EUR)	€ 62,763,594,674
National Contribution (EUR)	€ 30,493,749,962
Total Contribution (EUR)	€ 93,257,344,636

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	9	ERDF, ESF	3.6%	68%
Integrated Territorial Investment (ITI; non-SUD)	2	ERDF, ESF	10.8%	57%
Community-led Local Development (CLLD)	23	ERDF, ESF	0.5%	55%
TOTAL	**34**	**-**	**15%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



UK

Description

Geographical distribution of strategies per type of TDM, with an indication of the amounts of the respective ESIF contributions. For each type of TDM, strategies with the highest and the lowest amounts of funding are indicated.

Source: STRAT-Board (JRC, n.d.).
Note: There may be discrepancies between data from STRAT-Board and from other data bases.

Legend

= Integrated Territorial Investment (ITI; SUD)

= Integrated Territorial Investment (ITI; non-SUD)

= Community-led Local Development (CLLD)

Scale

€ 5,000,000
€ 10,000,000
€ 50,000,000
€ 100,000,000

GOVERNANCE CONTEXT

The United Kingdom (UK) is an asymmetrically decentralised unitary state comprising England and three countries with devolved governments: Scotland, Wales, and Northern Ireland. The UK's territorial governance integrates centralised and devolved approaches across these four constituent nations. During the 2014-2020 period, Territorial Delivery Mechanisms (TDMs) were used exclusively in England. England operates under a centralised system, without its own parliament or government, and is governed directly by the UK Parliament in Westminster, London. For statistical and planning purposes, England is divided into nine regions.

Urban policy in the UK during 2014-2020 varied across its constituent countries, each with its own regulatory framework and authorities overseeing urban development. The key piece of legislation from the UK Parliament relevant to urban policy is the 2016 Cities and Local Government Devolution Act, which applies only to England. Despite these regional differences, there is a UK-wide effort to enhance sub-national governance. Each country has key stakeholders in local authority networks, such as the Local Government Association (LGA) in England. Community planning involves citizens through Neighbourhood Plans, and the private sector plays a significant role through Public-Private Partnerships (PPP), notably within the 39 Local Enterprise Partnerships.

Furthermore, City Deals and Growth Deals provide funding and decision-making powers to support urban development. These deals are negotiated between central government and local stakeholders, including Local Authorities and Local Enterprise Partnerships.

COHESION POLICY CONTEXT

During the 2014-2020 period, the implementation of Cohesion Policy varied across England, Scotland, Wales, and Northern Ireland, each operating with its own Operational Programmes (OPs). In England, the Ministry of Housing, Communities and Local Government (MHCLG) — later renamed the Department for Levelling Up, Housing and Communities (DLUHC) — was responsible for managing ERDF funds. The Department for Work and Pensions (DWP) managed ESF funds. Approximately 95 percent of ERDF and ESF funding was allocated at the local level, where Local Enterprise Partnerships played an advisory role in project selection. Scotland, Wales, and Northern Ireland did not utilise Territorial Delivery Mechanisms during this period.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Sustainable Urban Development Integrated Territorial Investment

A total of nine SUD ITI strategies were implemented in England, covering Greater London (the largest in terms of budget) and Core City Regions with populations exceeding 600,000. These included Greater Birmingham and Solihull, Bristol, Leeds, Liverpool, Greater Manchester, Newcastle, Nottingham, and Sheffield. The power of Intermediate Bodies to make decisions varied across these regions. In London, Intermediate Body status enabled the Greater London Authority (GLA) to perform a wide range of functions, including making investment decisions and managing contracts. More limited Intermediate Body (IB) roles were granted in Cornwall, Tees Valley, Manchester, and Liverpool, organised under the framework of 'Devolution Deals', a national initiative aimed at transferring funding and some decision-making powers to local levels through individually-negotiated agreements. These IBs were responsible for determining the local strategic fit of applications.

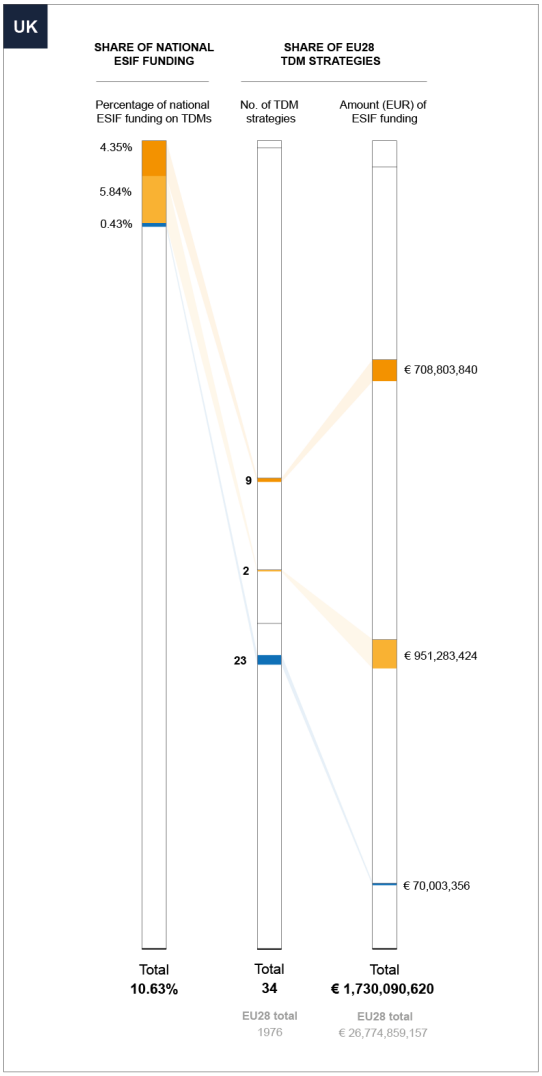
Separate Intermediate Body status was conferred to eight urban areas (with populations of over 600,000) linked to SUD strategies, giving them responsibility for decisions on local strategic fit, as well as providing advice on value for money and deliverability. Each identified SUD area was required to submit a draft Integrated SUD strategy, which was reviewed, negotiated, and approved by the Operational Programme (OP) Managing Authority (MA). By the end of 2018, all strategies were approved and launched, with the relevant authorities established as Intermediate Bodies, tasked with carrying out a limited range of SUD responsibilities delegated by the MA. Throughout 2018, SUD areas issued calls for applications across several thematic priorities, including Urban Regeneration, Low Carbon/Green Growth, Green and Blue Infrastructure, Research and Innovation, and SME Competitiveness.

The GLA has expressed support for greater devolution of governance responsibilities to cities, arguing that spending and programme decisions are better made at the local level. In this context, the ITI mechanism is viewed positively. However, since London already has significant devolved governance powers, the ITI format is not seen as critically important for the city's Cohesion Policy implementation.

Thematically, the English SUD ITI strategies targeted five objectives. The largest share of ERDF resources was allocated to the low-carbon economy (€138 million), followed by support for small and medium-sized enterprises (€54 million) and for research, development, and innovation (€37 million). Smaller ERDF allocations were directed towards environmental protection (€2 million) and the development of information and communication technologies (€2 million).

By the end of 2022, 68% of the allocated ERDF funds had been spent, slightly below the 70% spent under mainstream Cohesion Policy for the same period. The slower progress was partly

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

Non-Sustainable Urban Development Integrated Territorial Investment

Two territorial strategies outside the Sustainable Urban Development (SUD) scope were implemented in England: one in Cornwall and the Isles of Scilly, and the other in the Tees Valley. Both strategies utilised ERDF and ESF to tackle region-specific development challenges.

For Cornwall and the Isles of Scilly (C&IoS), the non-SUD strategy was designed to support operations in this Less Developed Region. The strategy was developed internally by Cornwall Council in collaboration with the C&IoS Local Enterprise Partnership and other regional stakeholders. This approach aimed to create a tailored method for delivering EU funds in the region. The strategic priorities for the C&IoS strategy included focusing on the future economy, supporting businesses, and fostering growth conditions. The main goal of the ITI was to leverage regional strengths in areas such as renewable energy production, research and development, and emerging high-value sectors like digital industries. There was also a strong emphasis on enhancing social inclusion and regional skills.

The Tees Valley ITI was implemented within the context of a Transition Region. It was managed with the involvement of the Tees Valley Combined Authority (TVCA), which acted as the implementing body. TVCA encompasses the municipalities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, and Stockton-on-Tees, serving a population of approximately 700,000 people. The strategy covered a broad range of thematic areas. Thematic focus of the non-SUD strategies in England was broad. The largest allocation was for the development of networks (€276 million), followed by support for the competitiveness of small and medium-sized enterprises (SMEs) (€192 million). Significant funds were also allocated to research and innovation (€85 million) and the development of a low-carbon economy (€94 million). Smaller ERDF allocations were reserved for combating climate change (€16 million), environmental protection (€14 million), and the development of information and communication technologies (€3 million).

In terms of financial implementation, the non-SUD ITI strategies experienced slower progress compared to mainstream Cohesion Policy. By the end of 2022, only 57% of the allocated ERDF funds had been spent.

Community-led Local Development

The English CLLD strategies were implemented in both urban and rural areas, with most being multi-fund, utilising both ERDF and ESF (except for two strategies which were exclusively funded by ESF). The thematic focus was more limited, as all CLLD strategies were centred exclusively on social inclusion. Specifically, they aimed to promote neighbourhood regeneration, social inclusion and innovation, participation, gender equality, employment, skills development, entrepreneurship, and support for SMEs.

Some CLLD strategies were designed to complement other Territorial Delivery Mechanisms. In Cornwall, for instance, a CLLD strategy was deployed alongside the non-SUD ITI strategy. Although the CLLD funding allocation was modest at €7.6 million, its impact was amplified by targeting 70% of the funds at the most socio-economically deprived areas of Cornwall. The remaining 30% was allocated to adjacent ‘hinterland’ areas .

However, the momentum in CLLD development, namely, in terms of building community capacity, issuing calls, or committing funding, was slower than anticipated. This was due to challenges such as a lack of match funding, weak responses to calls,

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

and the limited experience and capability of grant recipients to manage ESI Funds . The pandemic further disrupted delivery, as many local projects had to shift focus towards meeting immediate Covid-19 community needs, causing delays or interruptions to CLLD activities. It was difficult to regain momentum afterward. To recover, CLLD projects explored several measures, including open calls for new projects, securing alternative match funding streams, and providing grants to meet demand. The MA offered an extension to CLLD projects until 2023, which most accepted.
As with other Territorial Delivery Mechanisms in England, financial implementation of CLLD was slow, lagging behind mainstream Cohesion Policy. By the end of 2022, only 55% of the decided ERDF funding had been spent.

Bespoke governance arrangements for the Cornwall and Isles of Scilly ITI

Although the MAs for England's ERDF and ESF Operational Programmes nominally retained full responsibility for project selection, implementation, and monitoring, in practice, Cornwall Council and other local bodies played a crucial role. They were actively involved in developing project calls and engaging with potential beneficiaries. An ITI Board was established in the region, consisting of local partners and representatives from the voluntary, public, and private sectors. This board served an advisory function to the ERDF and ESF MAs and was responsible for project monitoring. Additionally, Technical Assistance (TA) teams were set up in Cornwall (C&IoS ITI Support Team) and the Isles of Scilly (Technical Assistance Team) to aid local delivery. Uniquely, Cornwall and the Isles of Scilly were represented on the Programme Monitoring Committee for the England ERDF and ESF Operational Programmes (the Growth Programme Board), due to the status as a Less Developed Region (Miller & van der Zwet, 2018).

IN SUM

During the 2014-2020 period, UK used Territorial Delivery Mechanisms extensively albeit only in England. Due to lack of case study research conducted in England as part of this evaluation, it is difficult to draw firm conclusions on the impacts and performance of the English Territorial Delivery Mechanism strategies. What is clear is that England dedicated a substantial share of resources to these strategies. Special governance arrangements were also set up to facilitate the engagmeent of local stakeholders in drafting of the strategies, sometimes with tailor-made solutions. It is also notable that financial implementation as part of the English strategies remained relatively slow due to bureaucratic obstacles and disruptions caused by the Covid-19 pandemic.

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